UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

June 7, 2012

Mr. Jeffrey Kinder
Major Source Permits Supervisor
Nevada Division of Environmental Protection
901 South Stewart St., Suite 4001
Carson City, Nevada 89701

Re: Minor Modification to Air Quality Operating Permit AP3241-0837.02-Nevada Cement Company (NCC)

Dear Mr. Kinder,

This letter is in response to Nevada Division of Environmental Protection (NDEP) Proposed Class I Air Quality Operating Permit AP3241-0837.02 for NCC in Lyon County, Nevada. The draft permit includes a minor revision to the existing cement facility's Title V permit for alternative modes of operation to Systems 06A, 06B and 12A. It is our understanding that the U.S. Environmental Protection Agency 45-day review concludes on June 11, 2012.

As discussed in more detail in the enclosed comments, we are concerned that NDEP did not properly estimate the net emissions increase in emissions for this modification in accordance with 40 Code of Federal Regulations (CFR) 52.21. In addition, the technical review does not evaluate the change in emissions for fine particulate matter ($PM_{2.5}$).

We look forward to working with you to address our comments. Please contact me at (415) 972-3974 or rios.gerardo@epa.gov, or Omer Shalev of my office at (415) 972-3538 or shalev.omer@epa.gov if you have any questions.

Sincerely,

Gerardo C. Rios
Chief, Permits Office

Enclosure

cc: Larry Kennedy, NDEP (via email)
Michael Elges, NDEP (via email)
Sarah Smith, NDEP (via email)

EPA Comments on Nevada Cement Company (NCC)–
Class I (Title V) Operating Permit Revision AP3241-0837.02

Net Emissions Increases

To determine whether an alternative mode of operation is a major modification, an analysis of the change in emissions resulting from the change at the facility must be properly evaluated. Per EPA's PSD regulations, a major modification includes any physical change or change in the method of operation of a major stationary source that would result in a significant emissions increase of a regulated pollutant and a significant net emissions increase of that pollutant. 40 CFR §52.21(a)(2)(iv).

NDEP must evaluate whether the net emissions increase, as specified in 40 CFR §52.21(b)(3), resulting from change in the method of operation for the existing units at NCC is significant. According to 40 CFR § 52.21(a)(2)(iv)(c), for existing units, a significant emissions increase of a regulated NSR pollutant is projected to occur if the sum of the difference between the projected actual emissions and the baseline actual emissions (as defined in paragraphs (b)(48)(i) and (ii) of this section), for each existing emissions unit, equals or exceeds the significant amount for that pollutant. The potential to emit of the existing units should not be used to estimate their historical emissions data. Historical air emissions for the existing units at NCC should be quantified by determining their baseline actual emissions. As a result, NDEP did not properly determine whether the change at the facility will result in a significant emissions increase of NSR pollutants.

In addition, NDEP's technical review should discuss whether the proposed facility change will affect emissions elsewhere at the facility. Although the proposed change may only directly affect enclosed material handling equipment, emissions from other units at the facility may change due to a change in the method of operation. NDEP's technical review should discuss whether the new method of operation affects the facility's potential to emit or projected actual emissions.

Fine Particulate Matter ($PM_{2.5}$)

Fine particulate matter ($PM_{2.5}$) is a regulated NSR pollutant that must be analyzed in new source review permitting. By excluding $PM_{2.5}$ from its technical review, NDEP has not evaluated whether the modification will result in a net emissions increase of all regulated NSR pollutants. According to 40 CFR § 52.21(b)(50)(i), a *regulated NSR pollutant* is any pollutant for which a national ambient air quality standard has been promulgated. EPA has promulgated primary and secondary national ambient air quality standards for $PM_{2.5}$ with annual and 24-hour averaging times. Moreover, EPA has completed the revision of Test Method 202– Condensable Particulate Matter. EPA's transition period allowing for the exclusion of condensable PM ended on January 1, 2011. 40 CFR § 52.21(b)(50)(vi). Therefore, when permitting stationary sources, NDEP should quantify condensable PM emissions, including $PM_{2.5}$ emissions, and evaluate changes in $PM_{2.5}$ emissions to determine all applicable requirements.